IN THE HIGH COURT OF JUDICATURE, ANDHRA PRADESH
AT HYDERABAD

(Special Original Jurisdiction)

THURSDAY, THE TENTH DAY OF MARCH
TWO THOUSAND AND FIVE

PRESENT

THE HON'BLE MR JUSTICE K.C. BHANU

WRIT PETITION No. 3649 of 2005

Between:

M.A. Kareem S/o Md. Ghouse,
A.P. state Minorities Finance Corporation Ltd.,

Cuddapah District

..... PETITIONER

AND

The Vice Chairman and Managing Director,

A.P. State Minorities Finance Corporation Ltd.,
Hyderabad

.....RESPONDENT

Petition under Article 226 of the constitution of India praying that in the circumstances stated in the Affidavit filed herein the High Court will be pleased to issue a Writ, order or direction more particularly one in the nature of Writ of Certiorari calling for the records and to quash the impugned proceedings No. 1305/APSMFC/ADMN/AS/2004 dt 07-01-2005 of the respondent as arbitrary and illegal and to consequently direct the respondent to forthwith reinstate the petitioner into service basing on the report submitted by the audit team dt 16-08-2004 and to pass such other order or orders as this Hon'ble Court may deem fit and proper in the circumstances of the case.

Counsel for the Petitioner: MRS.S.NANDA

Counsel for the Respondent: MR.M.K.RAMANUJA CHARY

The Court at the stage of admission made the following:

ORDER:

The petitioner filed the present writ petition to quash the proceedings of the respondent dated 07.01.2005.

Alleging that the petitioner has committed financial irregularities, the respondent placed the petitioner under suspension vide proceedings dated 25.06.2004. Questioning the same, the petitioner approached this Court by filing W.P.No.23420 of 2004. This Court, by order dated 16.12.2004, disposed of the writ petition directing the respondent to pass appropriate orders on the representation of the petitioner dated 17.11.2004 by taking into consideration the Audit report. Thereafter, the impugned proceedings dated 07.01.2005 had been passed stating that as the enquiry is still pending with the Joint Collector, Kadapa, the representation of the petitioner dated 17.11.2004 for his reinstatement at this juncture will not be considered. Hence this writ petition.

Learned counsel appearing for the petitioner contended that though the audit department conducted enquiry, no financial irregularities were noticed and, therefore, continuing the petitioner under suspension is illegal, arbitrary and contrary to law.

On the other hand, learned Standing Counsel appearing for the respondent opposed the same on the ground that the enquiry is pending with the Joint Collector, Kadapa, and, therefore, the writ petition is not maintainable.

Alleging certain financial irregularities with regard to disbursement of loan amounts

to the beneficiaries, the Government ordered Vigilance Enquiry. The Vigilance Department conducted enquiry. After conducting preliminary enquiry, the Committee prepared a preliminary report stating that there is no variation in the balance of funds available and actual balance available at branch office, Kadapa in various banks. Hence, there is no point in keeping the petitioner under suspension. There cannot be any dispute that if there are any financial irregularities, the respondent is at liberty to conduct departmental enquiry. Therefore, the petitioner cannot be continued for prolonged suspension. The impugned proceedings are quashed directing the respondent to reinstate the petitioner into service.

In the result, the Writ Petition is allowed. No order as to costs.

Dated: 10.03.2005

Dsr

ASSISTANT REGISTRAR

Note:

Issue Order by wire

at party's costs.

B/o

Dsr

To:

1. The Vice Chairman and Managing Director,

A.P.State Minorities Finance Corporation Limited,

Hyderabad

2. Two CD copies

*Form-NIC-OGS/WP{**TRT**}*